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Weekly news roundup (5-9 March)
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International

The global collapse in E&P spending [1] brought about by the oil price crash of 2014 continues to threaten the global crude oil supply-demand balance – but its effects may not be felt until the 2020s, the IEA has warned.

Eni has agreed to buy a stake in a spinoff company of the Massachusetts Institute of Technology involved in development of what could become the first commercial fusion power plant [2]. The Italian major made an initial USD 50 million pledge towards the project.

US & Canada

Canada – Another Canadian LNG project has bitten the dust, with Woodside last week culling plans to develop the 15 mtpa Grassy Point LNG plant [3] in British Columbia.

US – Cheniere and GAIL began a 20-year LNG supply deal [4] last week, although the south Asian company has already tried to swap as much of its US LNG as possible after struggling to find offtakers in India.

Shell has doubled an existing [5] LNG offtake agreement [5] with Venture Global LNG and will now purchase 2 mtpa of LNG from the Calcasieu Pass export facility under development in Louisiana.

Growing LNG exports and industrial consumers will drive demand for the record volumes of natural gas [6] set to be produced in the US over the next two years, the state-backed EIA has predicted.

ExxonMobil's "aggressive growth strategy" [7] to double earnings by boosting production seems to have left capital markets unconvinced, as a new report warned new projects could become "uneconomic" in a carbon-constrained world.

Shell is reportedly spearheading a plan to acquire shale asset [8]s from mining giant BHP Billiton [8], in a move that would fall in line with the Anglo-Dutch company's ambitious shale growth plans.

Devon Energy has agreed to sell [2] a portion of its Barnett shale assets [2] for USD 553 million to an unnamed buyer, believed to be a private equity firm.

Africa

Gabon – Petronas has announced a "significant milestone" following a new oil and gas discovery [9] at its Boudji-1 exploration well in South Gabon.

Equatorial Guinea / Mozambique – Government officials from Equatorial Guinea and Mozambique have reportedly signed a memorandum of understanding to develop hydrocarbon resources [9] in both African countries.

Asia Pacific

South Korea – Hoegh LNG has held the naming ceremony for its eighth FSRU [2], the 170,000 cm Hoegh Esperanza, which is intended to serve the delayed Penco-Lirquen LNG project in Chile.

Australasia

Australia / East Timor – The two states have finally settled [10] a maritime border dispute [10], but remain at loggerheads over the development of the prized Greater Sunrise field that straddles the line.

Papua New Guinea – The island's sole liquefaction facility PNG LNG will close for about two months [11] to repair earthquake damage, raising questions over whether long-term buyers might seek replacement cargoes elsewhere.

Europe

Croatia – Protesters descended on the Adriatic city of Rijeka in protest over LNG Croatia's proposed FSRU terminal [12] on the island of Krk, which a government-led commission later deemed environmentally acceptable [2].

Germany – Germany has become a “problem child” [13] in its failed quest to become “the model student of climate policy,” Wintershall CEO Mario Mehren said last week.

The German government is set to become the latest institution to back the Southern Gas Corridor [14], with Berlin finalising a loan for the Azerbaijani state-backed company heading the ambitious and contentious pipeline project.

Greece – Total has once again bid to explore for oil and gas offshore Greece [15], with the French company teaming up with ExxonMobil and Hellenic Petroleum to submit an offer for two blocks.

Ireland – Ageing coal, peat and gas power stations [9] will retire [9] in favour of high-efficiency gas plants and renewables that will gain from forthcoming “root-and-branch changes” to the Irish market, according to new research.

Italy – An Italian court has postponed a trial that was set to hear bribery and corruption claims against Eni and Shell [9] relating to their acquisition of a vast deepwater oil block offshore Nigeria in 2011.

UK – Energy regulator Ofgem is proposing “tougher” price control [16]s on network operators [16] that would result in lower returns for utilities and “significant” savings for consumers.

Ukraine – Kiev has reached out to the European Commission citing concerns over gas supply from Russia [17] and transit volumes to the EU, while Gazprom says it has started arbitration proceedings to cancel contracts with Naftogaz.

Latin America & Caribbean

Brazil – The former CEO of Brazil's embattled state-controlled oil company Petrobras has been sentenced to more than a decade in prison after being convicted [18] of money laundering and corruption [18].

Petrobras has signed up for a USD 4.35 billion revolving credit facility [2] with a syndicate of banks,

saying it may use the facility for early repayment of current debts.

Middle East

Israel / Palestine – Shell has sought to downplay reports that it is poised to exit the long-delayed Gaza Marin [19]e field project [19] in waters recognised internationally as belonging to Palestine.

Israel – Greek company Energean has signed a contract with UK contractor TechnipFMC to supply processing infrastructure [9] for use at the Karish and Tanin projects offshore Israel.

Kuwait – SOCO International and Kuwait Energy have cancelled [9] a potential merger [9], with the former saying the parties were unable to agree “on the basis for an acceptable transaction”.

Russia & CIS

Russia – Novatek-led Yamal LNG has shipped the first million tonnes of LNG [9] produced at the 5.5-mtpa first train of its 16.5-mtpa LNG facility in Sabetta.



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